



**JOHN CHIANG**  
**California State Controller**

October 22, 2012

Amy Enomoto-Perez, Ed.D., Superintendent  
Rosemead Elementary School District  
3907 Rosemead Boulevard  
Rosemead, CA 91770

Dear Dr. Enomoto-Perez:

The State Controller's Office reviewed the costs claimed by Rosemead Elementary School District for the legislatively mandated Standardized Testing and Reporting Program (Chapter 828, Statutes of 1997) for the period of July 1, 1997, through June 30, 2002. Our review was limited to ensuring that the California Department of Education Standardized Testing and Reporting Program apportionment was properly offset.

The district claimed \$88,825 for the mandated program. Our review disclosed that \$46,777 is allowable and \$42,048 is unallowable. The costs are unallowable because the district understated offsetting reimbursements, as described in the attached Summary of Program Costs and Finding and Recommendation.

For the fiscal year (FY) 1997-98 claim, the State made no payment to the district. Our review disclosed that \$151 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 1998-99 claim, the State made no payment to the district. Our review disclosed that \$4,159 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 1999-2000 claim, the State paid the district \$10,522 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$13,684 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$3,162, contingent upon available appropriations.

For the FY 2000-01 claim, the State paid the district \$18,508 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$14,379 is allowable. The State will apply \$4,129 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For the FY 2001-02 claim, the State made no payment to the district. Our review disclosed that \$14,404 is allowable. The State will pay that amount, contingent upon available appropriations.

We communicated the review results to Lee Wang, Director of Fiscal Services, via e-mail on October 9, 2012. Mr. Wang did not respond to our e-mail.

If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

JVB/vb

Attachments

RE: S13-MCC-905

cc: Lee Wang, Director of Fiscal Services  
Rosemead Elementary School District  
Arturo Delgado, County Superintendent of Schools  
Los Angeles County Office of Education  
Scott Hannan, Director, School Fiscal Services Division  
California Department of Education  
Carol Bingham, Director, Fiscal Policy Division  
California Department of Education  
Thomas Todd, Assistant Program Budget Manager  
Education Systems Unit, Department of Finance  
Jay Lal, Manager  
Division of Accounting and Reporting  
State Controller's Office

# Attachment 1— Summary of Program Costs July 1, 1997, through June 30, 2002

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 1997, through June 30, 1998</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 6,411	\$ 6,411	\$ —
Test administration	4,514	4,514	—
Reporting and recordkeeping	3,656	3,656	—
Total salaries and benefits	14,581	14,581	—
Materials and supplies:			
Reporting and recordkeeping	1,045	1,045	—
Total materials and supplies	1,045	1,045	—
Total direct costs	15,626	15,626	—
Indirect costs	1,355	1,355	—
Total direct and indirect costs	16,981	16,981	—
Less offsetting reimbursements	—	(16,830)	(16,830)
Total program costs	<u>\$ 16,981</u>	151	<u>\$ (16,830)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 151</u>	
<u>July 1, 1998, through June 30, 1999</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 6,656	\$ 6,656	\$ —
Test administration	4,611	4,611	—
Reporting and recordkeeping	3,775	3,775	—
Total salaries and benefits	15,042	15,042	—
Materials and supplies:			
Reporting and recordkeeping	1,064	1,064	—
Total materials and supplies	1,064	1,064	—
Total direct costs	16,106	16,106	—
Indirect costs	1,028	1,028	—
Total direct and indirect costs	17,134	17,134	—
Less offsetting reimbursements	—	(12,975)	(12,975)
Total program costs	<u>\$ 17,134</u>	4,159	<u>\$ (12,975)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 4,159</u>	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 6,699	\$ 6,699	\$ —
Test administration	4,796	4,796	—
Reporting and recordkeeping	3,873	3,873	—
Total salaries and benefits	15,368	15,368	—
Materials and supplies:			
Reporting and recordkeeping	1,056	1,056	—
Total materials and supplies	1,056	1,056	—
Total direct costs	16,424	16,424	—
Indirect costs	967	967	—
Total direct and indirect costs	17,391	17,391	—
Less offsetting reimbursements	—	(3,707)	(3,707)
Total program costs	\$ 17,391	13,684	\$ (3,707)
Less amount paid by the State <sup>2</sup>		(10,522)	
Allowable costs claimed in excess of (less than) amount paid		\$ 3,162	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 6,059	\$ 6,059	\$ —
Test administration	5,597	5,597	—
Reporting and recordkeeping	4,574	4,574	—
Total salaries and benefits	16,230	16,230	—
Materials and supplies:			
Reporting and recordkeeping	1,054	1,054	—
Total materials and supplies	1,054	1,054	—
Total direct costs	17,284	17,284	—
Indirect costs	1,224	1,224	—
Total direct and indirect costs	18,508	18,508	—
Less offsetting reimbursements	—	(4,129)	(4,129)
Total program costs	\$ 18,508	14,379	\$ (4,129)
Less amount paid by the State <sup>2</sup>		(18,508)	
Allowable costs claimed in excess of (less than) amount paid		\$ (4,129)	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 5,663	\$ 5,663	\$ —
Test administration	6,246	6,246	—
Reporting and recordkeeping	4,955	4,955	—
Total salaries and benefits	16,864	16,864	—
Materials and supplies:			
Reporting and recordkeeping	1,062	1,062	—
Total materials and supplies	1,062	1,062	—
Total direct costs	17,926	17,926	—
Indirect costs	885	885	—
Total direct and indirect costs	18,811	18,811	—
Less offsetting reimbursements	—	(4,407)	(4,407)
Total program costs	\$ 18,811	14,404	\$ (4,407)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ 14,404	
<u>Summary: July 1, 1997, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 31,488	\$ 31,488	\$ —
Test administration	25,764	25,764	—
Reporting and recordkeeping	20,833	20,833	—
Total salaries and benefits	78,085	78,085	—
Materials and supplies:			
Reporting and recordkeeping	5,281	5,281	—
Total materials and supplies	5,281	5,281	—
Total direct costs	83,366	83,366	—
Indirect costs	5,459	5,459	—
Total direct and indirect costs	88,825	88,825	—
Less offsetting revenues/reimbursements	—	(42,048)	(42,048)
Total program costs	\$ 88,825	46,777	\$ (42,048)
Less amount paid by the State <sup>2</sup>		(29,030)	
Allowable costs claimed in excess of (less than) amount paid		\$ 17,747	

<sup>1</sup> See Attachment 2, Finding and Recommendation.

<sup>2</sup> Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

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## Attachment 2— Finding and Recommendation July 1, 1997, through June 30, 2002

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**FINDING—  
Understated offsetting  
reimbursements**

The district understated offsetting reimbursements by \$42,048 because it did not report any of the Standardized Testing and Reporting (STAR) Program apportionments received from the California Department of Education (CDE) for the review period.

On January 24, 2002, the Commission on State Mandates adopted the parameters and guidelines, which establish the state mandate and define the reimbursement criteria.

The parameters and guidelines (section VII) state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, including but not limited to, services fees collected, federal funds and other state funds shall be identified and deducted from the claim.

California Education Code section 60640, subdivision (h)(1), specifies that the State Superintendent of Public Instruction shall apportion funds to school districts to enable them to administer the tests within the STAR Program. For the review period, we determined that the district received \$54,671 from the CDE.

We determined the amount that should have been offset by multiplying the total CDE apportionment by the reimbursable mandate percentages, which are based on test results published on the CDE STAR website. The district administered the following STAR tests in the review period: (1) California Standards Test (CST); (2) Stanford Achievement Test, Ninth Edition (SAT-9); and, (3) Spanish Assessment of Basic Education, Second Edition (SABE/2). The CST is not reimbursable because it was not pled in the test claim that created this mandate.

Based on the CDE's published test results, the reimbursable mandate percentages are as follows: 100% for FY 1997-98, 67.07% for FY 1998-99, 67.42% for FY 1999-2000, 64.51% for FY 2000-01, and 66.81% for FY 2001-02.

The following table summarizes the understated offsetting reimbursements for the review period:

	Fiscal Year					Total
	1997-98	1998-99	1999-2000	2000-01	2001-02	
STAR Program Apportionments:						
CDE apportionment	\$ (16,830)	\$ (19,345)	\$ (5,499)	\$ (6,401)	\$ (6,596)	<u>\$ (54,671)</u>
Mandate-related percentage	× 100%	× 67.07%	× 67.42%	× 64.51%	× 66.81%	
Mandate-related apportionment	(16,830)	(12,975)	(3,707)	(4,129)	(4,407)	(42,048)
Less offset CDE apportionment	—	—	—	—	—	—
Review adjustment	<u>\$ (16,830)</u>	<u>\$ (12,975)</u>	<u>\$ (3,707)</u>	<u>\$ (4,129)</u>	<u>\$ (4,407)</u>	<u>\$ (42,048)</u>

### Recommendation

We recommend that the district ensure that all applicable reimbursements are offset against mandated program costs.